

## Program Agreements

### National School Lunch, Breakfast, Afterschool Snack, and Food Distribution Program Agreements

The South Carolina Department of Education Program Agreement and the Food Distribution Agreement are legal contracts between the Department of Education and each school food authority. The provisions of these two separate agreements are identical to the provisions of the contracts between the Department of Education and the United States Department of Agriculture.

Under the terms of the Program Agreement, each school food authority agrees to:

- Serve lunches, breakfasts, and snacks that meet meal/meal supplement requirements;
- Maintain proper sanitation and health standards in conformance with all applicable state and local laws;

- Comply with record keeping requirements;
- Provide free and reduced-price meals to eligible children;
- Provide meals to all children without regard to race, color, gender, disability, age, or national origin;
- Comply with financial requirements and provisions;
- Accept and use commodities; and
- Operate the program on a nonprofit basis.

The district must keep a copy of each agreement on file. To extend or renew the agreements each school food authority must complete and sign new agreements at the beginning of the school year if substantive changes have occurred. Otherwise, the Program and Food Distribution Agreements are considered permanent documents. Full size forms for printing may be found in Section 27.

## South Carolina School Food Service Program Reference Manual

### Section 2B: Program Agreements

#### South Carolina Department of Education Program Agreement

National School Lunch\_\_\_\_\_

School Breakfast\_\_\_\_\_

Afterschool Snack\_\_\_\_\_

(Indicate programs intended for operation above.)

In order to effectuate the purpose of the National School Lunch Act (42 U.S. C.-1751-1960) and the Regulations for the National School Lunch Program issued thereunder including the Afterschool Snack Program (Child Nutrition Reauthorization Act of 1998), and the Child Nutrition Act of 1966 and the Regulations governing the School Breakfast Program issued thereunder, the South Carolina Department of Education, hereinafter referred to as the "Department," and school district, private or parochial school, or residential child care institution \_\_\_\_\_ of \_\_\_\_\_ County, whose address is \_\_\_\_\_ City of \_\_\_\_\_, State of South Carolina, hereinafter referred to as "School Food Authority", covenant and agree as follows:

#### The Department Agrees That:

To the extent of funds available; the Department shall reimburse the School Food Authority in connection with the cost of providing lunches, breakfasts, and snacks in the schools and/or sites listed on the Application for Participation in the fiscal year during which the Application is current and this permanent Agreement is in effect.

#### The School Food Authority Agrees That:

It will supervise National School Lunch, Breakfast, and Afterschool Snack operations in the schools and/or sites listed on the Application for Participation and will require each school or site to:

1. Keep, or cause to be kept, up-to-date, accurate, and full records of all operations under these Program(s) as prescribed by the Department, and the copies of all records will be kept by the school or site and will be available for inspection by properly authorized persons at any reasonable hour of the day. Records will be maintained for a period of three years after the end of the fiscal year to which they pertain or until resolution if audit findings are not resolved.
2. Supply lunches, breakfasts, and snacks free or at a reduced price to children who are determined by the local school food authorities to be unable to pay the full price. That no physical segregation or other discrimination against any child will be made by the school because of this inability to pay the full price of the lunch, breakfast, or snack.
3. Comply fully with the policy for free and reduced price meals and after school snacks as approved by the Department.
4. Operate non-profit meal program(s) for the benefit of children, and ensure that all funds accruing from the operation of these programs will be used for the school food service program. Operating balance will be limited to a level consistent with program needs; and upon request by the Department the School Food Authority will explain the need for the higher level.
5. Accept and use in quantities as can be effectively utilized the commodities donated by the United States Department of Agriculture (USDA), and that such commodities will be used exclusively for the School Lunch Program, and further that such commodities will not be sold, exchanged, or hoarded.
6. Price the school lunch and breakfast each as a unit.
7. Maintain adequate facilities for storing, preparing, and serving food, and to ensure proper sanitation and health standards conforming to laws and regulations by the State Department of Health and Environmental Control.
8. Serve lunches, breakfasts, and snacks that meet the requirements for each program operated as prescribed by the USDA during a period designated as the meal period by the school. The proceeds from the sale of extra food items accrue to the School Food Service account.
9. Plan and implement a program of student and parent involvement in the school food service programs. All activities will be fully documented.
10. Comply with the rules and regulations promulgated by the USDA governing the sale of competitive foods.
11. Assure that income shall be used only for authorized purposes.
12. Claim reimbursement at the assigned rates only for reimbursable free, reduced-price, and paid lunches, breakfasts, and snacks served to eligible children and establish a system for obtaining on a daily basis and accurate count of meals and snacks served by category, e.g., Free-Reduced-Paid at the point of service.
13. Require lunches, breakfasts, and snacks for teachers and all adults other than local cafeteria employees to be paid for by the individual or from sources other than school food service program funds. The Department establishes minimum adult prices each year to protect federal support received for student meals.
14. Comply with Section 210.19a Procurement Standards in establishing procedures for the procurement of supplies, including food, equipment, and other services with program funds.
15. Require school food service employees to attend professional improvement meetings called by the school food authority.
16. Complete claims review process and submit reports and claims for reimbursement in accordance with procedures established by the Department. Agree that the school food authority representative signing the claim is responsible for reviewing and analyzing meal counts to ensure accuracy.

17. Acknowledge that failure to submit accurate claims will result in the recovery of an overclaim and may result in the withholding of payments, suspension, or termination of the program and that if failure to submit claims reflects embezzlement, willful misapplication of funds, theft, or fraudulent activity, the penalties specified in Part 210.5 of the regulations shall apply.
18. "The program applicant hereby agrees that it will comply with Title VI of the Civil Rights Acts of 1964 (42 U.S.C. 2000d et seq.), Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.); all provisions required by the implementing regulations of the Department of Agriculture; Department of Justice Enforcement Guidelines, 28 CFR 50.3 and 42; and FNS directive and guidelines, to the effect that , no person shall, on the grounds of race, color, national origin, sex, age, or handicap be excluded from participation in, be denied benefits of, or otherwise be subject to discrimination under any program or activity for which the program applicant receives Federal financial assistance from the Food and Nutrition Service; and hereby gives assurance that it will immediately takes measures necessary to effectuate this agreement.

By accepting this assurance, the program applicant agrees to compile data, maintain records and submit reports, as required, to permit effective enforcement of the nondiscrimination laws and permit authorized USDA personnel during normal working hours to view such records, books, and accounts as needed to ascertain compliance with the nondiscrimination laws. If there are any violations of this assurance, the Department of Agriculture, Food and Nutrition Service, shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the program applicant and its successors, transferees, and assignees, as long as they receive assistance or retain possession of any assistance from the Department. The person or persons whose signatures appear below are authorized to sign this assurance on behalf of the program applicant."

**The Department and The School Food Authority Mutually Agree That:**

1. The Application for Participation listing of schools (feeding sites) approved by the Department, shall be part of this Agreement.
2. Schools and/or sites may be added or deleted from the Application as need arises, and the references herein to the Agreement are deemed to include such schedule as supplemented and amended.
3. The Department shall promptly notify the School Food Authority of any changes in the minimum meal/snack requirements or the assigned rates of reimbursement.
4. This agreement may be terminated upon ten (10) days written notice on the part of either party hereto, and the Department may terminate this Agreement immediately after receipt of evidence that the terms and conditions of the Agreement have not been fully complied by the School Food Authority.

\_\_\_\_\_  
(School Food Authority Representative)

\_\_\_\_\_  
(Date)

**FOR STATE OFFICE USE ONLY**

**APPROVED:**

\_\_\_\_\_  
(Director, Office of School Food Services and Nutrition)

\_\_\_\_\_  
(Date)

South Carolina School Food Service Program Reference Manual  
Section 2B: Program Agreements

**SOUTH CAROLINA STATE DEPARTMENT OF EDUCATION  
FOOD DISTRIBUTION AGREEMENT (2003 Revision)**

AGREEMENT BETWEEN DISTRIBUTING AGENCY AND RECIPIENT AGENCY FOR COMMODITIES  
DONATED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE

The Recipient Agency named below hereby makes application for commodities donated by the United States Department of Agriculture to the Distributing Agency named below:

The Recipient Agency hereby agrees to the following terms and conditions:

1. Commodities will be distributed only in quantities that can and will be equitably distributed, properly stored, and fully utilized by eligible school(s) as listed on the Application for Participation.
2. Commodities received under this agreement will be distributed only to eligible schools served by the Recipient Agency, and will not be otherwise disposed of without prior written approval of the Distributing Agency. Under no circumstances will the United States Department of Agriculture commodities be sold or traded. In case a school has a surplus of any commodity, the Recipient Agency may transfer such surplus to another school under its supervision where the commodity can and will be utilized. Transfer documentation will be maintained by the Recipient Agency. Transfers between Recipient Agencies must be authorized, approved and documented by the Distributing Agency.
3. Facilities for the handling, storage, and distribution of commodities shall be such as to properly safeguard against theft, spoilage, and other loss.
4. Recipient Agencies will pay Commercial Distributors, under contract with the Distributing Agency, a fee to cover receiving, storage and delivery of USDA donated foods and processed end products.
5. Accurate records pertaining to the receipt and use of commodities will be kept for a period of three years and reports furnished to the Distributing Agency as required. As a minimum, these records will consist of:
  - (a) a record of all commodities received, issued, or transferred including date and quantity;
  - (b) an accounting of funds received from the sale of containers; and,
  - (c) an accounting of other funds collected in connection with the handling and distribution of commodities. Representatives of the Distributing Agency and the United States Department of Agriculture are authorized to inspect and audit such books and records at any reasonable time to insure compliance with the above conditions.
6. If the Recipient Agency improperly distributes or uses any donated commodity, or causes loss of or damage to a donated commodity through its failure to provide proper storage, care, or handling, it shall pay to the Distributing Agency a sum equal to the value of the lost commodities. For all Recipient Agencies that have not implemented the Single Inventory Record Keeping System the following applies: the Recipient Agency agrees to report to the Distributing Agency all donated food losses valued at \$100.00 or more. At its option, the Distributing Agency may permit the Recipient Agency to replace the commodity. Upon the happening of any event creating a claim in favor of the Recipient Agency against a warehouseman, carrier or other person, for the loss of, or damage to, a donated commodity, the Recipient Agency shall take action necessary to obtain restitution.

Funds accruing from the sale of containers, salvage of donated foods, distribution charges, insurance, or recoveries from loss or damaged claims shall be used only for payment of expenses of the Commodity Distribution Program, including transportation, storage, and handling of commodities, and other administrative expenses. If excess funds accumulate, such funds shall be used to reduce distribution charges, to purchase additional foods or paid to the Distributing Agency.

7. Recipient Agencies shall investigate promptly complaints received in connection with the use of commodities and shall notify the Distributing Agency immediately of any complaint received. Additionally, all complaints concerning commodities should be reported to the USDA Commodity Complaint Hotline 1-800-446-6991 or e-mail [USDA-FNS-CommodityComplaints@FNS.USDA.GOV](mailto:USDA-FNS-CommodityComplaints@FNS.USDA.GOV). The following information should be obtained (description of the problem, markings and numbers on the cases, delivery order number, location of product, and number of cases in inventory) before calling.
8. Either agency may terminate this agreement by giving (30) days notice in writing with cause to the other party. The Distributing Agency may cancel this agreement immediately upon receipt of evidence that the terms and conditions thereof have not been fully complied with. Subject to such notice of termination or cancellation of the agreement, the Recipient Agency agrees to comply with the instructions of the Distributing Agency either (a) to distribute all remaining inventories of United States Department of Agriculture commodities in accordance with the provisions of this agreement or (b) to return such inventories to the Distributing Agency, and to transmit such reports as are required by the Distributing Agency to record final disposition of such inventories.

\_\_\_\_\_  
(Name of Recipient Agency)

\_\_\_\_\_  
(Address of Recipient Agency)

\_\_\_\_\_  
(Signature of Authorized Representative)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

**FOR STATE OFFICE USE ONLY**

**APPROVED BY:**

\_\_\_\_\_  
Education Associate, Food Distribution Section  
S. C. State Department of Education, Office of Food Services and Nutrition

\_\_\_\_\_  
Date